



Homes for Hooky

Hook Norton Community Land Trust Ltd

5 July 2024

Addendum to Hook Norton CLT Share Offer Prospectus February 2024

THIS DOCUMENT IS TO BE READ IN CONJUNCTION WITH THE COMMUNITY SHARE OFFER DOCUMENT ISSUED IN FEBRUARY 2024 WHICH IS PUBLISHED ON THE [ETHEX](#) WEBSITE

The purpose of this Addendum is to explain the reasons for a reduction to the minimum community share target from **£300,000 to £220,000**.

- We have successfully sold the affordable homes to Soha Housing
- We have also completed the open market homes and these are being marketed on Rightmove by our estate agent
- We have therefore reviewed our minimum target and we propose to reduce this from £300,000 to £220,000
- We will also extend the closing date of the share offer from 20 July to 20 October 2024 to take advantage of the additional publicity we are getting from the near finished development, to reach our maximum target.

Updated position at 5 July 2024

On 12 June 2024 we completed the sale of the leases to Soha Housing on the eight affordable homes and that has enabled us to fully finance the remaining stages of the project. The development is now reaching completion and we are confident that we do not need to hold any contingency funds as everything has been finally costed and contracted.

The four open market homes are on the market now with Rightmove through our agents, College and County Ltd. They are currently on the market at prices which would generate around £70,000 (after sale expenses) more than was assumed in the business plan, due in the main to the fact that the business plan was cautious about future house prices.

[Properties For Sale in Hook Norton | Rightmove](#)

Given the current slowness of the housing market we are going to be patient with the sale of these homes, and we have agreed a deferral of the interest payments to OAL to enable us to take advantage of the best market timing. We anticipate that interest will build now that the election has taken place and as confidence returns to the market. There are few properties for sale in Hook Norton and we believe that the high level of sustainability and quality construction will deliver sales at the asking prices. Indeed, at the time of writing this addendum, of 16 properties currently listed on Rightmove in Hook Norton, ranging from £275,000 to £875,000 there are only five below £295,000, of which four are the HNCLT homes. We have clearly delivered affordable housing into the community, and we are delighted that highly insulated, energy efficient homes will be allocated to local people in housing need.

The development has attracted significant levels of interest nationally in relation to the high level of sustainability and was recently highlighted at the National Community Land Trust Conference in Westminster as an exemplar of community led development. We have also attracted significant media interest and the project has won an award for collaboration at the Unlock Net Zero Awards, and been shortlisted for Best Affordable Development at the Inside Housing Awards.

There have also been some minor savings in relation to project costs and S106 payments against the amounts we had set aside in our prudent budgets in the business plan, totalling around £10,000. In addition, the final instalment of around £50,000 to Greencore Homes will not be payable until July 2025, whereas in the business plan this was assumed to be paid in 2024.

We are also in discussion with potential investors who may provide finance directly into the CLT.

As a result we are reducing the minimum target for the community share raise from £300,000 to £220,000 with immediate effect. This will meet our immediate needs and give us more time to raise further community shares or donations in due course, taking advantage of the additional publicity when we complete the development.

The original summary of the financing of the project was shown on page 21 of the Community Share Offer Document as follows:

Income	Assumed minimum share raise of £300,000	Assumed maximum share raise of £500,000
Sale of affordable homes to Soha Housing	£2,100,000	£2,100,000
Sale of open market homes assessed by external estate agent	£1,000,000	£1,000,000
Other grants and donations already received	£100,000	£100,000
Additional grants and donations	£200,000	-
Community share raise	£300,000	£500,000
Total	£3,700,000	£3,700,000
Expenditure		
Design and build contract and other construction related costs, including pre-planning expenditure	£3,700,000	£3,700,000

The revised summary is as follows:

Income	Assumed minimum share raise of £220,000	Assumed maximum share raise of £500,000
Sale of affordable homes to Soha Housing	£2,100,000	£2,100,000
Sale of open market homes assessed by external estate agent	£1,080,000	£1,080,000
Other grants and donations already received	£100,000	£100,000
Additional grants and donations	£200,000	-
Community share raise	£220,000	£500,000
Total	£3,700,000	£3,780,000
Expenditure		

Design and build contract and other construction related costs, including pre-planning expenditure	£3,700,000	£3,700,000
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To the extent that we reach the maximum target we may therefore choose to add additional features to the project to utilise the spare funds which will enhance the future profitability.

What does this mean for investors?

1) What is the change on the projected interest payment?

No change is envisaged although the ability to pay interest will be slightly improved if we issue less shares.

2) What are the changes to any share withdrawals?

No change is envisaged although the ability to finance withdrawals will be slightly improved if we issue less shares.

3) When will the share offer close?

We will extend the share offer to 20 October 2024 from 20 July 2024 to take advantage of the publicity that the development is receiving.

4) What is the contingency if the share raise is not successful?

With a lower minimum target we are more confident of success and the contingency arrangements, as per page 28 of the community share offer document, are unchanged.